

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

| | | |
|---|---|------------------------|
| In re: |) | Chapter 11 |
| |) | |
| W. R. GRACE & CO., <u>et al.</u> , ¹ |) | Case No. 01-1139 (JKF) |
| |) | Jointly Administered |
| Debtors. |) | |

Objection Date: May 4, 2006, at 4:00 p.m.
Hearing Date: Scheduled if Necessary

**FIFTY-NINTH MONTHLY APPLICATION OF PACHULSKI STANG
ZIEHL YOUNG JONES & WEINTRAUB LLP FOR COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS CO-COUNSEL TO THE DEBTORS FOR
THE PERIOD FROM FEBRUARY 1, 2006 THROUGH FEBRUARY 28, 2006**

| | |
|---|---|
| Name of Applicant: | Pachulski Stang Ziehl Young Jones & Weintraub LLP |
| Authorized to Provide Professional Services to: | Debtors and Debtors in Possession |
| Date of Retention: | May 4, 2001 |
| Period for which Compensation and Reimbursement is Sought: | February 1, 2006 through February 28, 2006 |
| Amount of Compensation Sought as Actual, Reasonable and Necessary: | \$33,777.00 |
| Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: | \$20,287.57 |

This is a: xx monthly __ interim __ final application.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for preparation of this fee application is approximately 2 hours and the corresponding compensation requested is approximately \$800.00.²

PRIOR APPLICATIONS FILED:

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Approved Fees | Approved Expenses |
|-------------------|-----------------------|-----------------------|---------------------------|---------------------------|--------------------------|
| 07/10/01 | 04/02/01 – 04/30/01 | \$ 62,472.75 | \$ 23,277.13 | \$ 62,472.75 | \$ 23,277.13 |
| 08/09/01 | 05/01/01 – 05/31/01 | \$ 29,929.00 | \$ 15,670.64 | \$ 29,929.00 | \$ 15,670.64 |
| 09/07/01 | 06/01/01 – 06/30/01 | \$ 30,195.50 | \$ 37,763.45 | \$ 30,195.50 | \$ 37,763.45 |
| 09/11/01 | 07/01/01 – 07/31/01 | \$ 17,040.50 | \$ 20,323.76 | \$ 17,040.50 | \$18,184.95 ³ |
| 10/31/01 | 08/01/01 – 08/31/01 | \$ 9,407.50 | \$ 20,486.61 | \$ 9,407.50 | \$ 20,486.61 |
| 11/13/01 | 09/01/01 – 09/30/01 | \$ 13,158.00 | \$ 10,035.46 | \$ 13,158.00 | \$ 10,035.46 |
| 11/27/01 | 10/01/01 – 10/31/01 | \$ 13,420.75 | \$ 8,922.92 | \$ 13,420.75 | \$ 8,922.92 |
| 01/22/02 | 11/01/01 – 11/30/01 | \$ 39,991.50 | \$ 22,398.11 | \$ 39,991.50 | \$ 22,398.11 |
| 01/30/02 | 12/01/01 – 12/31/01 | \$ 35,017.00 | \$ 13,575.07 | \$ 32,778.50 | \$ 13,575.07 |
| 04/02/02 | 01/01/02 – 01/31/02 | \$ 48,356.50 | \$ 38,671.08 | \$ 48,356.50 | \$ 38,671.08 |
| 05/31/02 | 02/01/02 – 02/28/02 | \$ 46,611.50 | \$ 25,627.01 | \$ 46,611.50 | \$ 25,627.01 |
| 06/06/02 | 03/01/02 – 03/31/02 | \$ 44,145.00 | \$ 29,280.21 | \$ 41,141.00 ⁴ | \$ 29,280.21 |
| 06/28/02 | 04/01/02 – 04/30/02 | \$ 49,562.00 | \$ 25,475.46 | \$ 49,562.00 | \$ 25,475.46 |
| 07/12/02 | 05/01/02 – 05/31/02 | \$ 42,495.50 | \$ 21,543.54 | \$ 42,495.50 | \$ 21,543.54 |
| 08/13/02 | 06/01/02 – 06/30/02 | \$ 32,819.00 | \$ 29,869.61 | \$ 32,539.00 ⁵ | \$29,776.36 ⁶ |
| 10/01/02 | 07/01/02 – 07/31/02 | \$ 22,630.00 | \$ 17,187.01 | \$ 22,630.00 | \$ 17,187.01 |
| 10/30/02 | 08/01/02 – 08/31/02 | \$ 34,536.00 | \$ 45,540.43 | \$ 34,536.00 | \$ 45,540.43 |
| 11/14/02 | 09/01/02 – 09/30/02 | \$ 32,858.50 | \$ 33,313.79 | \$ 30,731.00 ⁷ | \$11,436.76 ⁸ |

² The actual number of hours expended preparing this Application and the corresponding compensation requested will be set forth in PSZYJ&W's subsequent fee applications.

³ In the Court's Order approving quarterly fee applications for the First, Second and Third Periods, the Court approved \$248,394.00 in fees which reflects a reduction of \$2,283.50. For the purposes of this application, we have noted the reduction in the last month of that period.

⁴ In the Court's Order approving quarterly fee applications for the Fourth Period, the Court approved \$136,109.00 for fees which reflects a reduction of \$3,004.00. For the purposes of this application, we have noted the reduction in the last month of that period.

⁵ In the Court's Order approving quarterly fee applications for the Fifth Period, the Court approved \$124,596.50 for fees which reflects a reduction of \$280.00. For the purposes of this application, we have noted the reduction in the last month of that period.

⁶ In the Court's Order approving quarterly fee applications for the Fifth Period, the Court approved \$76,795.36 for expenses which reflects a reduction of \$93.25. For the purposes of this application, we have noted the reduction in the last month of that period.

⁷ In the Court's Order approving quarterly fee applications for the Sixth Period, the Court approved \$87,897.00 for fees which reflects a reduction of \$2,127.50. For the purposes of this application, we have noted the reduction in the last month of that period.

⁸ In the Court's Order approving quarterly fee applications for the Sixth Period, the Court approved \$95,393.85 for expenses which reflects a reduction of \$647.38. For the purposes of this application, we have noted the reduction in the last month of that period.

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Approved Fees | Approved Expenses |
|------------|---------------------|----------------------------|--------------------|---------------------------|-------------------|
| 12/30/02 | 10/01/02 – 10/31/02 | \$ 19,370.50 | \$ 24,488.86 | \$ 19,370.50 | \$ 24,488.86 |
| 01/21/03 | 11/01/02 – 11/30/02 | \$ 25,948.50 | \$ 31,181.03 | \$ 25,948.50 | \$ 31,181.03 |
| 01/30/03 | 12/01/02 – 12/31/02 | \$ 16,407.00 | \$ 14,016.95 | \$ 16,263.00 ⁹ | \$ 14,016.95 |
| 03/18/03 | 01/01/03 – 01/31/03 | \$ 25,984.50 | \$ 19,035.00 | \$ 25,984.50 | \$ 19,035.00 |
| 04/23/03 | 02/01/03 – 02/28/03 | \$ 18,094.50 | \$ 23,616.14 | \$ 18,094.50 | \$ 23,616.14 |
| 06/17/03 | 03/01/03 – 03/31/03 | \$ 15,853.00 | \$ 15,586.33 | \$15,740.50 ¹⁰ | \$ 15,586.33 |
| 07/21/03 | 04/01/03 – 04/30/03 | \$ 12,140.50 ¹¹ | \$ 17,776.64 | \$ 12,140.50 | \$ 17,776.64 |
| 08/13/03 | 05/01/03 – 05/31/03 | \$ 13,234.50 | \$ 16,624.15 | \$ 13,234.50 | \$ 16,624.15 |
| 09/02/03 | 06/01/03 – 06/30/03 | \$ 9,888.50 ¹² | \$ 14,033.07 | \$ 9,888.50 | \$ 14,033.07 |
| 09/29/03 | 07/01/03 – 07/31/03 | \$ 18,546.50 | \$ 18,663.30 | \$ 18,546.50 | \$ 18,663.30 |
| 10/24/03 | 08/01/03 – 08/31/03 | \$ 20,376.00 | \$ 43,075.91 | \$ 20,376.00 | \$ 43,075.91 |
| 10/30/03 | 09/01/03 – 09/30/03 | \$ 24,433.50 | \$ 19,744.93 | \$24,410.00 ¹³ | \$ 19,744.93 |
| 12/03/03 | 10/01/03 – 10/31/03 | \$ 22,988.00 | \$ 30,531.15 | \$ 22,988.00 | \$ 30,531.15 |
| 12/29/03 | 11/01/03 – 11/30/03 | \$ 20,729.50 | \$ 33,211.18 | \$ 20,729.50 | \$ 33,211.18 |
| 01/26/04 | 12/01/03 – 12/31/03 | \$ 22,073.00 | \$ 19,772.62 | \$ 22,073.00 | \$ 19,772.62 |
| 03/24/04 | 01/01/04 – 01/31/04 | \$ 22,238.50 | \$ 13,200.84 | \$ 22,238.50 | \$ 13,200.84 |
| 04/05/04 | 02/01/04 – 02/29/04 | \$ 20,551.50 | \$ 13,096.88 | \$ 20,551.50 | \$ 13,096.88 |
| 05/11/04 | 03/01/04 – 03/31/04 | \$ 25,911.00 | \$ 19,056.44 | \$ 25,911.00 | \$ 19,056.44 |
| 06/18/04 | 04/01/04 – 04/30/04 | \$ 21,730.50 | \$ 15,444.69 | \$ 21,730.50 | \$ 15,444.69 |
| 07/20/04 | 05/01/04 – 05/31/04 | \$ 21,891.00 | \$ 20,728.27 | \$ 21,891.00 | \$ 20,728.27 |
| 07/30/04 | 06/01/04 – 06/30/04 | \$ 25,219.00 | \$ 33,778.62 | \$ 25,219.00 | \$ 33,778.62 |
| 09/27/04 | 07/01/04 – 07/31/04 | \$ 18,385.50 | \$ 24,458.32 | \$ 18,385.50 | \$ 24,458.32 |
| 10/14/04 | 08/01/04 – 08/31/04 | \$ 36,394.00 | \$ 45,292.19 | \$ 36,394.00 | \$ 45,292.19 |
| 12/17/04 | 09/01/04 – 09/30/04 | \$ 30,767.50 | \$ 25,111.50 | \$ 30,767.50 | \$ 25,111.50 |
| 01/12/05 | 10/01/04 – 10/31/04 | \$ 48,426.50 | \$ 38,476.13 | \$ 48,426.50 | \$ 38,476.13 |
| 01/28/05 | 11/01/04 – 11/30/04 | \$ 38,293.00 | \$ 45,333.34 | \$ 38,293.00 | \$ 45,333.34 |
| 02/03/05 | 12/01/04 – 12/31/04 | \$ 35,898.50 | \$ 32,468.11 | \$ 35,898.50 | \$ 32,468.11 |
| 03/25/05 | 01/01/05 – 01/31/05 | \$ 43,205.00 | \$ 43,350.70 | \$43,147.00 ¹⁴ | \$ 43,350.70 |
| 04/11/05 | 02/01/05 – 02/28/05 | \$ 31,155.00 | \$ 48,274.20 | \$ 31,155.00 | \$ 48,274.20 |
| 04/27/05 | 03/01/05 – 03/31/05 | \$ 24,291.50 | \$ 22,823.74 | \$ 24,291.50 | \$ 22,823.74 |
| 06/22/05 | 04/01/05 – 04/30/05 | \$ 37,512.00 | \$ 14,813.08 | \$ 37,512.00 | \$ 14,813.08 |
| 07/15/05 | 05/01/05 – 05/31/05 | \$ 26,114.50 | \$ 43,949.18 | \$ 26,114.50 | \$ 43,949.18 |

⁹ In the Court's Order approving quarterly fee applications for the Seventh Period, the Court approved \$61,582.00 for fees which reflects a reduction of \$144.00. For the purposes of this application, we have noted the reduction in the last month of that period.

¹⁰ In the Court's Order approving quarterly fee applications for the Eighth Period, the Court approved \$59,819.50 for fees which reflects a reduction of \$112.50. For the purposes of this application, we have noted the reduction in the last month of that period.

¹¹ Due to a clerical error, an incorrect amount was requested in the April 2003 fee application although the correct amount was requested in the 9th Quarterly fee application. This amount reflects the correct amount on the bill attached to the April 2003 fee application.

¹² This amount reflects a voluntary reduction of \$1,248.50 from the fees of \$11,137.00 by PSZYJ&W for the June 2003 fee application period. The \$11,137.00 amount was requested in error in the June 2003 fee application as well as the 9th Quarterly fee application and subsequently approved by Order dated December 195, 2003. The amount listed is the correct amount.

¹³ In the Court's Order approving quarterly fee applications for the Tenth Period, the Court approved \$63,332.50 for fees which reflects a reduction of \$23.50. For the purposes of this application, we have noted the reduction in the last month of that period.

¹⁴ This amount reflects a reduction of \$58.00 due to a billing error in the January 2005 fee application which resulted in an over-bill of \$58.00.

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Approved Fees | Approved Expenses |
|------------|---------------------|----------------|--------------------|---------------------------|-------------------|
| 08/19/05 | 06/01/05 – 06/30/05 | \$ 27,609.50 | \$ 21,315.97 | \$ 27,609.50 | \$ 21,315.97 |
| 10/03/05 | 07/01/05 – 07/31/05 | \$ 38,213.00 | \$ 44,301.75 | \$ 38,213.00 | \$ 44,301.75 |
| 10/28/05 | 08/01/05 – 08/31/05 | \$ 28,971.50 | \$ 31,439.92 | \$ 28,971.50 | \$ 31,439.92 |
| 11/28/05 | 09/01/05 – 09/30/05 | \$ 44,764.00 | \$ 36,267.24 | \$44,386.00 ¹⁵ | \$ 36,267.24 |
| 12/20/05 | 10/01/05 – 10/31/05 | \$ 50,950.00 | \$103,851.05 | \$ 40,760.00 | \$103,851.05 |
| 01/13/06 | 11/01/05 – 11/30/05 | \$ 36,400.50 | \$ 43,157.91 | \$ 29,120.40 | \$ 43,157.91 |
| 02/01/06 | 12/01/05 – 12/31/05 | \$ 36,758.50 | \$ 43,874.74 | \$ 29,406.80 | \$ 43,874.74 |
| 03/28/06 | 01/01/06 – 01/31/06 | \$ 52,254.00 | \$ 48,711.17 | Pending | Pending |

PSZYJ&W PROFESSIONALS

| Name of Professional Individual | Position of the Applicant, Number of years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise | Hourly Billing Rate (including changes) | Total Hours Billed ¹⁶ | Total Compensation |
|---------------------------------|--|---|----------------------------------|--------------------|
| Laura Davis Jones | Partner 2000; Joined Firm 2000; Member of DE Bar since 1986 | \$675.00 | 0.30 | \$ 202.50 |
| James E. O'Neill | Partner 2005; Member of DE Bar since 2001; Member of PA Bar since 1985 | \$445.00 | 41.80 | \$18,601.00 |
| William L. Ramseyer | Of Counsel; Member of CA Bar since 1980 | \$395.00 | 2.70 | \$ 1,066.50 |
| Louise R. Tuschak | Paralegal 2000 | \$155.00 | 4.70 | \$ 728.50 |
| Karina K. Yee | Paralegal 2000 | \$155.00 | 2.20 | \$ 341.00 |
| Patricia E. Cuniff | Paralegal 2000 | \$155.00 | 57.30 | \$ 8,881.50 |
| Cheryl A. Knotts | Paralegal 2000 | \$150.00 | 1.90 | \$ 285.00 |
| Marlene S. Chappe | Paralegal 2001 | \$150.00 | 1.30 | \$ 195.00 |
| Rita M. Olivere | Case Management Assistant 2000 | \$ 85.00 | 1.60 | \$ 136.00 |
| Sheryle L. Pitman | Case Management Assistant 2001 | \$ 80.00 | 30.80 | \$ 2,464.00 |
| Andrea R. Paul | Case Management Assistant 2001 | \$ 70.00 | 1.00 | \$ 70.00 |
| Karen S. Neil | Case Management Assistant 2003 | \$ 65.00 | 12.40 | \$ 806.00 |

Total Fees: \$ 33,777.00

Total Hours: 158.00

Blended Rate: \$ 213.78

¹⁵ In the Court's Order approving quarterly fee applications for the Eighteenth Period, the Court approved \$111,570.50 in fees which reflects a reduction of \$378.00. For the purposes of this application, we have noted the reduction in the last month of that period.

¹⁶ Some professional time that was spent during the Interim Period may be reflected in a subsequent application and some professional time that was spent during the previous Interim Period may be reflected in this Application.

TASK CODE SUMMARY

| Project Category | Total Hours | Total Fees Requested |
|--------------------------------|--------------------|-----------------------------|
| Case Administration | 66.90 | \$7,055.00 |
| WRG-Claims Analysis (Asbestos) | 22.60 | \$7,006.50 |
| WRG-Claim Analysis | 1.70 | \$ 553.50 |
| WRG-Employ. App./Others | 12.20 | \$3,370.00 |
| WRG-Fee Apps., Applicant | 7.80 | \$2,004.00 |
| WRG-Fee Applications, Others | 16.00 | \$3,727.00 |
| Financing | 3.00 | \$1,335.00 |
| Litigation (Non-Bankruptcy) | 27.50 | \$8,592.50 |
| Tax Issues | 0.30 | \$ 133.50 |

EXPENSE SUMMARY

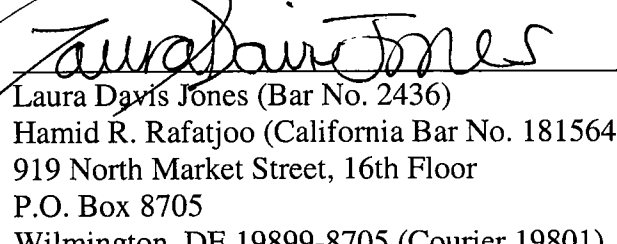
| Expense Category | Service Provider (if applicable)¹⁷ | Total Expenses |
|---------------------------------|--|-----------------------|
| Working Meals | Healy's Café | \$ 27.37 |
| Delivery/Courier Service | Tri-State | \$ 5,805.00 |
| Express Mail | DHL/ Federal Express | \$ 1,281.40 |
| Fax Transmittal (outgoing only) | | \$ 166.00 |
| Court Research | Pacer | \$ 255.29 |
| Postage | US Mail; Digital Legal Services | \$ 2,156.02 |
| Reproduction Expense | | \$10,391.20 |
| Overtime | V. Preston; R. Stewart | \$ 110.05 |
| Transcript | M. Ryan | \$ 95.24 |

¹⁷ PSZYJ&W may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

WHEREFORE, PSZYJ&W respectfully requests that, for the period February 1, 2006 through February 28, 2006, an interim allowance be made to PSZYJ&W for compensation in the amount of \$33,777.00 and actual and necessary expenses in the amount of \$20,287.57 for a total allowance of \$54,064.57, and payment of \$27,021.60 (80% of the allowed fees) and reimbursement of \$20,287.57 (100% of the allowed expenses) be authorized for a total payment of \$47,309.17, and for such other and further relief as this Court may deem just and proper.

Dated: April 14, 2006

PACHULSKI STANG ZIEHL YOUNG JONES &
WEINTRAUB LLP



Laura Davis Jones (Bar No. 2436)
Hamid R. Rafatjoo (California Bar No. 181564)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-counsel for Debtors and Debtors in Possession

VERIFICATION

STATE OF DELAWARE :
:
COUNTY OF NEW CASTLE :

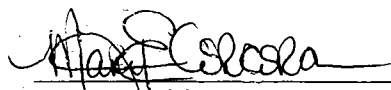
Laura Davis Jones, after being duly sworn according to law, deposes and says:

- a) I am a partner of the applicant law firm Pachulski Stang Ziehl Young Jones & Weintraub LLP, and have been admitted to appear before this Court.
- b) I am familiar with many of the legal services rendered by Pachulski Stang Ziehl Young Jones & Weintraub LLP as co-counsel to the Debtors and am thoroughly familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of PSZYJ&W.
- c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. LR 2016-2 and the Administrative Order entered on or about March 3, 2006, and submit that the Application substantially complies with such Rule and Order.



Laura Davis Jones

SWORN AND SUBSCRIBED
before me this 14th day of April, 2006.



Notary Public
My Commission Expires: 11/4/07

MARY E. CORCORAN
Notary Public
State of Delaware
My Commission Expires Nov. 4, 2007